

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

March 11, 2005 NECA-IBEW Electrical Training Center, Portland

9:00 A.M. Tapes 52 - 53

Corrected 09/27/05

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. Paul Holvey

Rep. George Gilman

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

Bureau of Labor and Industry – Informational Meeting

HB 3097 – Public Hearing

NECA-IBEW Electrical Training Program – Informational Meeting

NECA-IBEW Electrical Training Center – Facility Tour

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 52, A		
003	Chair Brown	Calls the meeting to order at 9:15 a.m. Thanks the facility for having the committee
032	Chair Brown	Opens the informational meeting on the Bureau of Labor and Industries.

BUREAU OF LABOR AND INDUSTRIES – INFORMATIONAL MEETING

036	Dan Gardner	Commissioner, Bureau of Labor and Industries (BOLI). Submits informational packet (EXHIBIT A). Talks about the organizational chart (EXHIBIT A, Page 1). Gives a brief overview of the BOLI. Talks about electrical training programs and other training facilities nearby. Reads mission statement (EXHIBIT A, Page 4). Discusses the technical assistance program for employers (EXHIBIT A, Page 7).
090	Gardner	Talks about a story he heard about Eastern Oregon that relates to the Technical Assistance Program. Discusses other programs that are done through the commissioner's office. Mentions the budget and legislative agenda.
110	Christie Hammond	Administrator, Wage and Hour Division, BOLI. Mentions the Child Labor Law and how the department takes action against someone who is in violation of the Child Labor Law (EXHIBIT A, Page 7). Talks about how they get reports of children working. Notes the Farm and Forest Contractors and Camps Program (EXHIBIT A, Page 8). Mentions Prevailing Wage Law and Wage Claims and Minimum Wage Enforcement (EXHIBIT A, Page 8).
160	Hammond	Continues discussing the Wage Claims and Minimum Wage Enforcement Program. Talks about how the Unemployment Insurance Tax goes into the Wage Security Fund. Notes the regulated private employment agencies (EXHIBIT A, Page 9). States what the divisions goals are (EXHIBIT A, Page 9).
201	Rep. Kitts	Asks how many complaints by workers are fraudulent.
204	Hammond	Offers to get information for the committee. Believes that there are not very many fraudulent cases. Explains that she does not usually

see fraudulent claims in the wage area, but that it does occur in other areas. Talks about disputes that may arise where BOLI cannot enforce the law due to lack of information

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| 221 | Rep. Kitts | Asks what happens when a worker is found to have made a fraudulent claim. |
| 223 | Hammond | States that she knows of no ramifications. |
| 224 | Rep. Schaufler | Asks if the goal of 3C is to resolve minimum wage claims quickly and asks why the target is 55% (EXHIBIT A, Page 20) . |
| 240 | Hammond | States that the division would like to resolve prevailing wage rate claims within 90 days. Discusses that the difficulty in resolving the complaints arises when trying to get workers' records and procure the workers' cooperation. Says that they are trying to streamline investigations. |
| 253 | Rep. Schaufler | Asks for a breakdown of prevailing wage rate complaints that separates union from non-union shops. |
| 261 | Hammond | Says that the Wage and Hour Division does not track what complaints are from union and non-union shops. |
| 270 | Chair Brown | Asks if the Wage and Hour Division is involved with the enforcement of the Federal Prevailing Wage Law in Oregon. |
| 273 | Gardner | Says that they work with the federal government occasionally. Talks about the federal rate versus the residential rate. States that the federal survey is different from BOLI's survey. |
| 296 | Hammond | Mentions that state and federal law do not apply at the same time in regards to the Prevailing Wage Law. Talks about the Davis-Bacon Law. |
| 302 | Chair Brown | Asks if the Federal Prevailing Wage Law trumps Oregon Prevailing Wage Law when federal money is involved. Asks if there could be 36 different wage rates. |
| 306 | Gardner | States that federal law does trump state law. Says that there could be 36 different wage rates but there usually is not. |

310	Rep. Holvey	Asks what happens when there is a federal survey that comes out below Oregon's minimum wage.
315	Gardner	States that BOLI always makes sure that the employees are working at least at the state minimum wage law.
327	Rep. Holvey	Asks if there are any conflicts between federal and state classifications of work.
331	Gardner	States that it does happen and talks about the bill, which will be coming before the committee, that gets rid of the separate flagger issue.
365	Amy Claire	Administrator, Civil Rights Division. Talks about what the Civil Rights Division does (EXHIBIT A, Page 10). Mentions what kind of inquiries they get and says that they get 2100 to 2500 complaints, which become official each year. Says that most cases are in the area of employment. Notes the types of claims (EXHIBIT A, Page 10). Says that their cause rate is 7 to 10 percent.
414	Claire	Talks about the difficulties facing the claimant when enforcing anti-discrimination law. Emphasizes that they are a neutral enforcement body. Says that their goal is to investigate claims within 180 days and it is less for some other governmental bodies.

TAPE 53, A

001	Claire	Talks about division goals (EXHIBIT A, Page 11). Mentions that they have lost a third of their staff and have the same work load. Talks about state and federal statutes (EXHIBIT A, Page 12).
019	Rep. Kitts	Asks if the department deals with sexual orientation issues and how big the problem is.
025	Claire	Talks about there about 40 to 80 contract cases a year for sexual orientation discrimination.
031	Rep. Schaufler	Asks if you can be fired for being gay if you are in one of the uncovered communities.
034	Gardner	

States that you can be fired for being gay. Says that they try to find resolution to cases in the Civil Rights Division, because a resolution costs much less money than litigation in court.

048	Stephen Sims	Administrator, Apprenticeship and Training Division. Talks about what the division does (EXHIBIT A, Page 13). Says that there are 54 registered apprenticeships. Mentions the statistics of who is training and who is offering training (EXHIBIT A, Page 13). Talks about how the demographics of Oregon are not reflected in apprenticeships. Talks about women in apprenticeships and why the numbers are so low. Talks about benefit of services (EXHIBIT A, Page 13).
096	Sims	Believes that the state's investment in apprentices is the best investment in employment that Oregon makes. Talks about the infrastructure of apprenticeship training programs and how private industry picks up much of the tab for the training model (EXHIBIT A, Page 14). States that the wages in the trade industry provide a living wage.
155	Sims	Talks about their goals for making apprenticeships more diverse in terms of women and minorities. Notes that they set reasonable, reachable goals. Talks about the division goals (EXHIBIT A, Page 17). Offers to answer any questions.
185	Chair Brown	Asks if a journeyman's license is recognized in another state and if people from other countries have to sit for tests to gain certification.
193	Sims	States that the journeyman's license is recognized in other states. Says that most people from other countries do have to sit for the licensing examination. Explains that with the exception of some countries in Europe completion of a program in the United States is recognized in other countries.
200	Rep. Schaufler	Asks what the standards are relative to other states for trades' licenses and if they are happy with the governor's budget.
205	Sims	Talks about how federal regulations for apprenticeship programs and how states do a better job than the federal government's program. States that, in larger states, there is a competition to do a better job. Asserts that Oregon has some of the best trained apprentices in the nation because of the industries whom invest in the programs.
245	Gardner	

States that BOLI, over the last decade, has been reduced in staff by 33 percent. Says that they are a very efficient agency. Says that they have cut their rent by \$10,000 a month and he has stopped using the state car. Says that the governor has recommended the full funding for the budget with the exception of the cuts BOLI made on its own.

- 279 Chair Brown Asks how difficult it is for a young person to get into an apprenticeship program.
- 281 Sims Says that it is extremely difficult. Talks about how the educational process in the school system does not teach them the value of the trades. Says that the trades do not want people who just have a high school diploma, because they want someone who can do math.
- 315 Chair Brown Talks about how the vocational programs in his district have gone away and believes that it writes off a number of people who would go into the vocational trades.
- 337 Gardner Says he agrees with Chair Brown and talks about how manufacturing industries are leaving the state. Wants to put together a program so that guidance councilors can educate their students about the trades. Talks about how the education budget shortfall has caused many vocational programs to be eliminated. Notes that the department is trying to target different students to bring them into the training facilities.
- 391 Rep. Esquivel Talks about the high school that needs to be built in Medford and the debate over what type of school that should be built. Asks if there has been work with school districts to promote vocational programs.

TAPE 52, B

- 001 Sims States that they have worked on the issue of getting vocational programs in schools. Says that there are three training centers in Medford area and that there may be room to move people in high school into the vocational trade.
- 018 Rep. Holvey Asks about apprenticeship programs that are done through community colleges and the source of the funds for those programs.
- 030 Sims Says that the relationship between apprenticeship programs and community colleges is changing. Mentions that, in the past, the apprenticeship programs have been reimbursed by the community

colleges. Indicates that now the FTE cap at community colleges is hurting the apprenticeship industry, because community colleges do not have the money to fund the programs.

- 065 Rep. Holvey States that subsidized apprenticeship programs have an advantage over privately run apprenticeship programs. Expresses desire to solve the issue and look at more educational options.
- 085 Sims Agrees that the programs that are funding themselves privately are at a competitive disadvantage and wants to find a balance so that every single county will have apprenticeship programs.
- 090 Gardner Says that with the NECA-IBEW Electrical Training program the student only pays for their books. States that the brochure in the back of the packet gives a great overview of the agency (**EXHIBIT A, Page 64– 65**).
- 120 Art Ayre State Employment Economist, Oregon Employment Department. Submits informational packet on labor market information (**EXHIBIT B**). Talks about the projected construction worker shortage in Oregon (**EXHIBIT B, Page 6**). Mentions that the 17,000 jobs are expected to be added in the construction industry between 2004 and 2011 in Oregon. Notes that, over the last year, there has been significant growth in the construction industry (**EXHIBIT B, Page 6**).
- 165 Ayre States that the workforce is a little bit younger than the average workforce, but over the next ten years two-thirds of the people that are older than 45 will leave the construction industry (**EXHIBIT B, Page 1**). Mentions the occupational projections (**EXHIBIT B, Page 3 – 5**). Explains the construction occupation projections (**EXHIBIT B, Page 5**).
- 225 Chair Brown Closes the informational meeting and opens the public hearing on HB 3097.

HB 3097 – PUBLIC HEARING

- 233 Janet Adkins Committee Administrator. Explains HB 3097.
- 257 Mark Long Building Codes Division. Submits flyer explaining the electronic permitting pilot program (**EXHIBIT C**). Speaks in support of HB

3097. States that HB 3097 helps streamline the building codes process. Mentions the minor label system.

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| 310 | Long | Continues to outline the minor labeling system and how the pilot project helps simplify the minor labeling system. Talks about the address locator that tells contractors what jurisdiction their project is in. Talks about how the online system will help the permitting process. |
| 350 | Long | Expresses desire to work in Rep. Esquivel and Rep. Gilman's districts. Talks about how the ultimate goal is to have a statewide electronic system that would allow for electronic plan submittal and subsequent permitting for the plans. |
| 371 | Chair Brown | Asks if cities and counties like the program. |
| 375 | Long | Says that participation in the program is optional. Anticipates that many other jurisdictions will want to participate in the program. Believes that it makes contractors' jobs easier. |
| 393 | Rep. Esquivel | Asks if the monies collected for each of the permits will go to the jurisdiction that the permits are issued for. |
| 403 | Long | Says that the program lists the permits that are available in the jurisdiction. Explains how the money is collected and deposited into the jurisdictions bank account. |
| 422 | Rep. Schaufler | Speaks in support of HB 3097. Says that the bill is good government. |

TAPE 53, B

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| 003 | Rep. Holvey | Ask how the program goes forward in terms of plan submission. |
| 011 | Long | Talks about the master plan design capacity. States that they are at the capacity of what can be done with the current funding levels. Asserts that he will continue to seek support for the pilot program. |
| 038 | Chair Brown | Speaks in support of HB 3097. Believes that the bill is good government policy. |

044	Jerod Broadfoot	Oregon State Building and Construction Trade Council, National Electrical Contractors Association, Plumbing and Mechanical Contractors Association, Sheet Metal and Air Conditioning Contractors National Association. Speaks in support of HB 3097. Thanks them for coming to the NECA-IBEW Training Center.
066	Stan Heil	Heil Electrical, Portland. Speaks in support of HB 3097. States that the project helps solve licensing problems of the past.
080	Dan Gardner	Commissioner, Bureau of Labor and Industry (BOLI). Speaks in support of HB 3097. Talks about the taskforce he created during the 1997 Legislative Session to look at minor label permit coordination in the tri-county area. Explains situations where county jurisdictions complicated the process.
104	Chair Brown	Closes the public hearing on HB 3097. Opens the informational meeting for the NECA-IBEW Electrical Training Program

NECA-IBEW ELECTRICAL TRAINING PROGRAM – INFORMATIONAL MEETING

121	John Steffens	Training Director, Willamette Carpenter's Training Center. Submits written testimony explaining the apprenticeship programs (EXHIBIT D). Explains difficulty of retaining apprentices. States that no public money is spent on apprenticeship programs and 55 cents an hour for every hour a member works is put into apprenticeship programs. Wants the state to mandate apprenticeship hours.
188	Chair Brown	Asks if there is an allowance for wages paid to public work employees to flow to apprenticeship programs.
192	Steffens	States that public work employees' wages do not help pay for apprenticeship programs. Says that the City of Portland has mandated that some of the wages of public work employees be set aside for apprenticeship programs and believes that is what the state should do.
201	Chair Brown	Talks about the training center in Las Vegas.
210	Ken Fry	Director, NECA-IBEW Training Center. Offers to give the committee a tour of the facility. States that it is a \$6 million facility. Says that most apprenticeship programs are operating outside of the jurisdiction of community colleges. Says that the industry will take care of the training needs.

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| 248 | John Coolemare | Area 1 JATC. Talks about the relationships that they had with the Clackamas Community College and talks about how they bought the carpenter's building. States that as a board they have been fiscally responsible and this has helped them to buy their own facilities. States that they put out a good product. |
| 289 | Chair Brown | Talks about his time on the legislature and the budget difficulties that they have faced. States that it is rewarding to see that the economy and the construction industry is turning around. Mentions his time on the House Transportation Committee in 2003 with Rep. Gilman. Closes the informational meeting on the NECA-IBEW Electrical Training Program. Adjourns the meeting at 11:04 a.m. Committee joins tour of training facility. |

NECA-IBEW ELECTRICAL TRAINING CENTER – FACILITY TOUR

No recording

Committee members were shown classrooms and training equipment and heard from the training facility director about their history and current programs.

EXHIBIT SUMMARY

- A. Bureau of Labor and Industries, informational packet, Dan Gardner, 65pp
- B. Bureau of Labor and Industries, informational packet, Art Aris, 6 pp
- C. HB 3097, flyer, Mark Long, 2 pp
- D. NECA-IBEW Electrical Training Program, written testimony, John Steffens, 1 p